that political settlement has been visualised by the Government as well as by many of us when we say that there should be greater autonomy for the constituent units within a united Sri Lanka, that is, devolution of more powers. It is known that there has not been any agreement on that issue also. As I understand, the two Bills introduced in the Sri Lankan Parliament do not include all the proposals initiated up to December 19 last and even the TULF, in a public statement, made it clear—I would just read out only a single sentence by saying this:

> "The two Bills, the 13th amendment to the Constitution and the Provincial Councils Bill presented to the Sri Lankan Parliament do not meet the aspirations of the Tamils nor are they commensurate with the loss of life and sufferings and privation suffered by the Tamils."

The Prime Minister has said in his yesterday's statement that although the hopes and aspirations of the Tamil people have not been fulfilled by the two Bills introduced in the Sri Lankan Parliament, he hope that at a certain given point of time there might be some changes also. In this respect, I would only like to draw the attention of the House to the ruling or decision given by the Speaker of the Sri Lankan Parliament only yesterday or the day before yesterday. Now, Sir, this decision of the Speaker came following the speech of Mr. Lalit Athulathmulali. And his contention was that there have been a number of in tances where the Government of the day had decided to accept the determination of the Supreme Court. The decision of the Speaker of Sri Lanka makes it clear that the Supreme Court is the final determining authority in the matter of accepting any amendment regarding devolution Naturally it is for the Minister to explain how you and the Prime Minister visualized a situation when suitable changes can be brought about even after the passage of the two Bills in the Sri Lankan Parliament. That has been altogether negated Yet the Supreme Court is the final authority and the Internal Security Minister says that it has always been the practice in Sri Lanka to accept what is determined by the Parliament. We have got nothing to say. Therefore, the devolution question is very important, and I think that is a very important part of fulfilling the political aspirations of the Tamil people in Sri Lanka.

Now, I conclude. I again urge a fresh political move. This task cannot be fulfilled merely by the military course. Military course cannot solve this problem.

Lastly, I do not know whether the Government is aware of the fact that the US attitude towards the Sri Lankan question has changed. I do not know why? I frankly admit it. I understand that Washington-based Heritage Foundation presented a special paper on the Sri Lankan problem to the U.S. State Department. This was presented two months before the agreement was signed. If they know about it, I think the Government should share this information with the House, because that is a special paper prepared for advising the President of the United States in determining its policy towards Sri Lanka-vis-a-vis India.

Lastly, I have also found that Mr. Jayewardene has shifted his ground in respect of his commitment in respect of Batticaloa and Trincamalee. I have got certain cuttings with me, but I shall not quote from them in deference to your wish and I shall conclude. The Government should exercise more altertness and at the same time again I repeat, proper, fresh initiative in the matter.

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA): Discussion concluded. The Minister will reply tomorrow. Now, Statement by Minister.

STATEMENT BY MINISTER RE PROCUREMENT/MINIMUM SUPPORT PRICE FOR RABI CROPS OF 1987-88.

THE MINISTER OF STATE IN THE DEPARTMENT OF AGRICULTURE AND COOPERATION IN THE MINISTRY OF AGRICULTURE (SHRI YOGENDRA MAKWANA): Sir, the Government have fixed the procurement/

[Shri Yogendra Makwana]

minimum support prices of Rabi crops of 1987-88 to be marketed in 1988-89 season.

The procurement price of wheat of fair average quality has been raised from Rs. 166 per quintal during 1987-88 marketing season to Rs. 173 per quintal for the 1988-89 marketing season.

For barley of fair average quality, the minimum support price has been fixed at Rs. 135 per quintal for the 1988-89 marketing season.

The minimum support price for gram of fair average quality has been fixed at Rs. 290 per quintal for the 1988-89 marketing season marking an increase of Rs. 10 over the price fixed for 1987-88 marketing season

The minimum support price of mustard of fair average quality has been raised from Rs. 415 per quintal during the 1987-88 marketing season to Rs. 430 per quintal for the 1988-89 marketing season. The minimum support price of Safflower for the 1988-89 season has been fixed at Rs. 415 per quintal. The minimum support price of Toria would be announced separately.

SHRI V. NARAYANASAMY (Pondicherry): Mr. Vice-Chairman, Sir, the hon Minister has announced the minimum support price for 5 or 6 items of agriculture. But I am surprised to note that the minimum support price for paddy has not been announced.

Now, the people are facing drought situation throughout the country. Whatever investment the agriculturists make to produce various crops, they are incurring only losses. The minimum support price is just to satisfy the agriculturists so that they may carry on with the cultivation of crop. Sir, agriculture is not a profitable occupation. Therefore, I would like to know from the hon. Minister whether the drought situation prevailing in the country has been considered. Sufficient water supply is not available to the agriculturists. Even the fertilisers do not reach them at the proper time. The prices of fertilisers have not come down. The cost of labour has increased. This is my second clarification.

Sir, I would like to get another clarification about cotton. There is no support price for a major crop like cotton in our country. The support price which was announced about two years ago for sugarcane was also not given to the agriculturists. These are the various items on which I would like a clarification from the hon. Minister. My pertinent and main question is whether drought situation prevailing in the country was taken into consideration while fixing the minimum support prices for the various items which have been announced now.

SHRI GHULAM RASOOL MATTO (Jammu and Kashmir): Mr. Vice-Chairman, Sir, I rise to express my dismay at the increase of just 7 paise per kilogram in the price of wheat this year. This is too little a price that has been fixed. I recall that when remunerative price for rice was fixed last time, it was raised by 4 paise per kilogram. I said that in the year of drought it would be very difficult for the Government to procure wheat and rice for their distribution system and other things if you don't increase it proportionate to the demands of the farmers. That is exactly what has happened in the case of rice. When I said that an increase of Rs. 4/- was very little, no action was taken and the hon. Minister who is sitting here did not heed my advice on that day when I told him that if he was going to increase it only by Rs. 4/-, he would land himself in trouble with regard to procurement and his public distribution system Accordingly, the hon. Minister had to come out with a bonus of 16 paise in a different way while buying paddy in Punjab for public distribution system. The hon. Minister had to come with an increase of 16 paise in addition to 4 paise in the form of a bonus. Why not the hon. Minister face the reality and instead of 7 paise which is again going to torpedo your procurement and public distribution system, come out with a rise at least to the extent that has been actually seen and practised in respect of rice? I again say that the Minister, for the procurement of rice, had raised it by Rs. 4 at a time I said that it was not good. But alter on, as I said, it was raised by 16

paise in the form of a bonus, that means, a rise of 20 paise. Now, I would again say that if the hon. Minister does not increase this rate of wheat by a minimum of 20 paise, he will again face the same problem—wheat will go into the hands of flour mills, wheat will go into the hands of blackmarketeers and into the hands of those who are taking it to drought affected areas—and the public distribution system will be put to a lot of problems. And I warn him that by that time our buffer stocks must have been exhausted and we would be left high and dry. Let us take the steps right now and we increase it by a minimum of 20 paise. Otherwise, the whole public distribution system will be jeopardized. Similar is the case with regard to mustard oil. Sir, mustard oil prices have risen to such an extent during the current year that it is just absurd, if I may say so, to increase it by just 15 paise—from Rs .415 to Rs. 430 a quintal —when the retail price in the market is about Rs. 29 or so. I would again remind the hon. Minister that in the case of mustard oil, it will create a very great crisis if he does not raise the price to the level that is prevailing in the market. These are my observations. But with regard to wheat and barley, I would again remind him and I want to be on record that next year we will not be spared by the people if we are not able to procure to them their daily requirements of wheat, and it will not be possible by raising it by only Rs. 4. I strongly protest and request the hon Minister to reconsider this price and raise it to a minimum of Rs. 20 which he himself has raised in the case of rice.

Thank you, Sir.

श्री चतुरानन मिश्र (बिहार) : उपसभाध्यक्ष महोदय, जो कीमतें सरकार ने बढाई हैं, वे अपने आप में काफी कम मालूम पड़ रही हैं आज की कॉस्ट ऑफ प्रोडक्शन को देखते हुए लेकिन हमारे यहां दिक्कत यह है कि काफी विशाल आबादी है जो दरिद्र है, काफी गरीब है। दूसरी तरफ हमने मिडिलमेन को रख दिया है जो बहुत बडा हिस्सा खा जाता है। तो जब तक सरकार इसका इंतजाम न करे, तब तक लोगो को राहत नही मिल सकती है। जैसे सरसो के तेल के बारे में मट्टू साहब ने जो कहा है, अभी जो सरसो के तेल की कीमत है उसके हिसाब से देखें तो कोई औचित्य नही लगता। इसलिए मिडिलमेन के प्राफिट को कम करके किसानो को ज्यादा कीमत दे, इसके बारे में सरकार विचार करे, यह मैं आग्रह करूगा।

श्रीमन्, मुझे दो बिन्दुओ पर सरकार सूचना लेनी है। एक तो ऐग्रिकल्चरल प्राइसेज कमीशन की इन चीजो के बारे मे क्या सिफारिश थी? हमने सुना है कि वे यूनेनीमस नही थी। तो दोनों राएं क्या थी, इनके मूल्य के बारे मे वह कृपया बताएं।

तीसरी बात मैं यह जानना चाहूगा कि ये चीजे अगर हम विदेशो से आयात करें तो फिर इनका प्राइस क्या होगा, जैसे मस्टर्ड ऑयल, चना आदि? अगर विदेशों से मगाएं तो हमारे यहा क्या दाम बैठेंगे? यह सूचना अभी द और बहस के लिए कोई दिन निर्धारित हो तब हम लोग सही ढंग से कह सकेंगे कि कितने दाम बढ़ाये जाये। लेकिन इतना अवश्य है कि मिडिल मैन जो बडा हिस्सा खा जाते है वह किसानो को पहुंचाने के लिए आवश्यक कायवाई करनी चाहिए।

श्री सत्य प्रकाश मालवीय (उत्तर प्रदेश) : माननीय उपसभाध्यक्ष जी, जो 5–6 चीजों की कीमते आज घोषित की गयी है, समर्थन मूल्य जैसे गेहूं, जौ, चना आदि, जैसा पहले माननीय सदस्यो ने कहा सारी कीमते जो है यह बहुत कम की गयी है। जो किसान की लागत वहां पर आती है और साथ-साथ किसान वहां पर जो मेहनत करता है इन सब का आकलन लेकर अगर हिसाब लगाया जाए तो मेरी अपनी समझ से जितनी कीमत, जितनी लागत आयेगी उससे कम मूल्य घोषित किया गया है। यह दुर्भाग्य है कि बहुत कम कीमत तय की गयी है।

श्री सत्य प्रकाश मालवीय

इस वर्ष सारे देश में बाढ़ और सूखा पड़ा। कुछ आंकड़ों के हिसाब में कहा जाता है कि सारे देश में करीब-करीब 8 हजार करोड़ से लेकर दस हजार करोड़ की फसल नष्ट हो गयी। इस सूखे से किसान तबाह है, बाढ़ से भी किसान तबाह है। उसकी सारी फसल चौपट हो गयी है। इस विशेष साल में इस का भी सरकार को ध्यान देना चाहिए था। मैं इस बात से पूरी तरह सहमत हूं कि जिस तरीके से पंजाब की सरकार ने चीजों का समर्थन मूल्य घोषित करते समय इस वर्ष के लिए बोनस की घोषणा की है इस सरकार को भी बोनस की घोषणा करनी चाहिए।

जो पहले मांग की गयी मैं भी उस मांग को रखता हूं कि रेम्यूनरेटिव प्राइस के लिए, जो उत्पादन की कीमत है उसके लिए विस्तार से यहां पर चर्चा होनी चाहिए केवल मंत्री जी के वक्तव्य से काम नहीं चलने वाला है। आज मुझे जानकारी हुई कि बिजनैस एडवाइजरी कमेटी ने यह तय किया है कि इस पर विशेष चर्चा होगी इसलिए इस विषय में ज्यादा स्पष्टीकरण नहीं पूछना चाहता। लेकिन मंत्री जी को एक सुझाव देना चाहता हूं कि जो आज मूल्यों को घोषित किया गया है उस पर पुनर्विचार किया जाये और इसको बढ़ाने की कृपा करें।

SHRI CHITTA BASU (West Bengal): Sir, I have got only three points for clarification. The first is, whether the Government took into account the cost of production of each variety of the crop for which the minimum support price has been announced. The second is, and this is for my information, I want that he should furnish this information to the House, what is the percentage rise in the price of inputs and what has been the percentage rise of the support price, whether this rise of inputs prices has been fully neutralised by deciding upon the quantum of the minimum support price. My third question is, what, according to the Government is the difference between minimum support price and remunerative price? What is the Government's view about these two different aspects.

So far as I am concerneed, remunerative price is the cost of production plus transport cost plus risk allowance plus some reasonable amount of profit, and minimum price does not include all the elements. But acording to Government, I would like to know, what elements are constituted in the remunerative price and what elements are there in the minimum support price. If these aspects are explained we will be very much obliged to the hon. Minister.

SHRI RAMNARAYAN GOSWAMI (West Bengal): Mr. Vice-Chairman, Sir, on a point of clarification I want to know from the Minister that taking into acount the drought situaion in our country, what prospects of the rabi crop are envisaged in the ensuing rabi season?

Secondly, I understand that target has been fixed, and if so, is the target that has been fixed likely to be fulfilled? I ask this because it has a relevance with the price of agricultural produce.

5.00 P.M.

My second point is, considering the cost escalation of agricultural inputs and all other essential commodities and also taking into account the present movement for remunerative prices, does the Minister feel that the price declared by him today is remunerative? I would also like to know from him as to what the recommendation of the Agricultural Cost and Price Commission is in this regard. Thirdly, can he give some idea about the quantum of water which is still impounded in the reservoirs of our country? Fourthly, what amount of foodgrains they are going to import from other countries, because it has also some relation with the price fixation?

SHRI B. SATYANARAYAN REDDY (Andhra Pradesh): As far as prices, support prices or the minimum prices, announced for five items are concerned, I would like to know from the Minister the basis on which these prices have been fixed. It has been stated earlier that prices are being fixed on the recommendations of the Agricultural Cost and Price Commission. I would like to know the composi-

tion of this Commission, whether they come from the agricultural background, whether they are aware of the difficulties of the farmers or they simply go by the data on the paper. That is very important. In order to understand the difficulties of the farmers, it is essential that the Commission should consist of experts who have agricultural background. If such people are not included, justice to the farmers cannot be done while fixing remunerative prices of these foodgrain items.

So far as the prices announced by the Government are concerned, they are meagre. This is not sufficient. The farmer today is in a miserable condition from every point of view. In these hard days of floods and drought, their condition is miserable. So, the prices announced are very meagre The Govrnment has to revise these prices. I request the Minister to go into the details of the prices fixed and the cost of production while fixing prices. They should not simply go by the recommendations of the Agricultural Price Commission which I have already said do not consist of members with agricultural background.

So far as paddy is concerned ,its price has not been announced, and I do not know why, Government must take into consideration the actual cost of production and the cost of inputs while fixing the prices. The cost of inputs has gone up 50 to 100 times in some cases and that has not been taken into consideration. This is very important.

Under the circumstances, because the support prices announced are very low, I request the Minister to revise the prices now announced and increase remunerative prices of these items.

SHRI V RAMANATHAN (Tamil Nadu): Government has given some increase in certain agricultural prices, from 7p. to 15 p. per Kg. in various dgrees in case of different agricultural commodites Sir, the prices of agricultural inputs are going up. Due to the drought conditons in the country, the agriculturists who have invested are losing and they are not getting any return. The plight of ninety per cent of the farmers is miserable. When such is the situation, they are being given seven paise, ten paise etc as increase This is very meagre. There is no relief for them from this support price? They should be given remunerative prices.

In the case of sugarcane, because of drought, the crop has taken more time to mature and as a result of this, crushing also is delayed The increase given is very meagre. The price should be increased at least to Rs 25 per quintal.

Why does not the Government take into account the cost of inputs and the other things which the framer buys? If they do not get adequate return, they will be reluctant to invest more. The agricultural community is sinking now. Therefore, I would like to know whether the Government will consider declaring agriculture as an industry and give remunerative prices taking into account the investment made end the quantum of return to be got by the farmers.

SHRI BIR BHADRA PRATAP SINGH (Uttar Pradesh): Mr. Vice-Chairman, Sir, in spite of the ushering in of the Green Revolution in 1970, in spite of drought and floods, folowed by a severe cyclone, why is the Govrnment of India still resorting to the concept of minimum support prices in respect of agricultural commodities? Is it the only incentive the Government wants to give to the country's farmers at the present juncture?

My second question is, what about the introduction of the concept of farm prices? How long it is likely to take to apply the principle in India as is prevalent in many other developed countries? My third question is. . . . .I hope the hon Minister will hear me.

SHRI SATYA PRAKASH MALAVIYA He is hearing.

SHRI BIR BHADRA PRATAP SINGH: Mr. Jacob is talking to him

SHRI YOGENDRA MAKWANA He is helping you.

SHRI CHITTA BASU: Does he also want higher price?

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI M. M. JACOB): I am suporting you.

SHRI BIR BHADRA PRATAP SINGH: In case the concept of farm prices is not made applicable in the near future in India, what about the introduction of the concept of remunerative prices? I have categorised it into three classs. Why is the Government still restorting to minimum support price and not farm price or lemunerative price?

Then, what incentive are being provided to increase the production in the Rabi season by providing high-yeilding vareties of seeds? In my own development block, the total allotment of wheat seeds is only 28 quintals which is not sufficient even for a village. Why are the plices of fertilizers so high when the same are supplied from the Government-owned stores in U.P.? Why should private parties be allowed to come in resulting in adulteration in costly fertilisers? Why is the production and distribution of pesticides and insecticides in the hands of private parties, of course, in collaboration with multi-nationals who are minting money by supplying fake and spurious insecticides and pesticides?

And lastly, why is the supply of kits being abolished or done away with in the State of U.P. and what preventive steps are being contemplated by our Government in this matter?

श्री राम चन्द्र विकल (उत्तर प्रदेश) उपसभाध्यक्ष महोदय, मंत्री जी के वक्तव्य से जाहिर है कि किसानों के लिए जो रबी के मूल्य बढाये हैं उसमें गेहूं पर 166 से 177 रुपये किया है, जौ पर 135 रुपये रखा है। पहले कितना था यह आंकडों से मालूम नही पड रहा है। चने का 290 रुपये किया है मगर उसमे लिखा है कि 10 रुपये बढ़ा दिया है, इसके माने है कि पहले 280 रुपये होगा। सरसो का जो मूल्य रखा है कि वह 415 से 430 किया है यानी 15 रुपये बढ़ाया गया है। कुसुंभ का रखा है 415, तय पहले क्या था इसमे लिखा नही है और तोरिया का भी सच नही हुआ है किसान की तोरिया की फसल तो अभी उठने वाली है। सबसे पहले तोरिया ही किसान उठा पायेंगे। अभी उसका तय नही है। चूंकि सभी सदस्यों ने मांग की है और इस पर हाउस मे बहस होनी है इसलिए मैं लम्बी चर्चा तो अब नही करना चाहता हू पर मंत्री जी से कहना चाहता हू कि जो किसान की लागत, मेहनत और परिश्रम है उसके मुताबिक ये सारे मूल्य बहुत ही कम है। मैं बार-बार बोलता रहा हूं, कहता रहा हूं सदन मे और आज भी कहना चाहता हूं मंत्री जी से कि किसान की लागत और मेहनत के मूल्य के आंकड़ों का आपका आधार क्या है। यह निश्चित तौर पर आप निश्चित किसी गाव मे किसी किसान को लेकर इन आकड़ों को ले। जो सरकारी आकड़े पेश किये जाते है वे सही नही उतरते है उसकी मेहनत और लागत के मुताबिक।

अब रबी का बीज जा रहा है, गेहू का जा रहा है, चने का जा रहा है, जो का जा रहा है, इनके दाम भ मंत्री जी से जानना चाहता हूं कि किस भाव पर है। छोड़ दो प्राइवेट लोगों को। सरकारी फार्मो मे बीज का भाव क्या है इन दिनों? खाद का सरकारी भाव क्या है। प्राइवेट मे कुछ ज्यादा पैसे देकर लेना पडता है उसको छोड़ दीजिए। मै सरकारी खाद के जो सरकारी गोदामों मे मिलती है उसका जानना चाहता हूं या जो मशीनरी किसान को लेनी पड़ती है उसके भी बाजार भाव क्या है। इन आंकड़ो पर ही बहस की जाये तो मैं समझता हूं कि इनको देखकर किसान की चीजों की लागत बहुत कम होगी। इसलिए इनको और बढ़ाय और इन पर जैसा सबने कहा है बहस होगी तो हम थोडा बहुत आकडे ढूढ ढाढ़कर लायेंगे। वैसे आकड़ों पर मुझे यकीन नही है। वैसे

आकड़े चाहता हू कि हर प्रांत में एक गाव चुन लो और वहां के आंकड़े मंगा लो गेहूं के, जौ चावल के, हर जिन्स के, मेहनत के लागत के। किसान चूकि अब दिल छोड़ बैठा है। किसान के बेटे खेती छोड़कर चपरासियो की नौकरी तलाश करना पसद करते है और खेती एक घाट वाला सौदा किसान की निगाह मे है। एक जमाना था अब, "उतम खेती, मध्यम बान, अधम चाकरी ; भीख निदान।" अब इसका उलट हो गया है। बड़ फार्मर्स की बात मैं नही कहता हू। उनके अपने निजी साधन है। मै छोटे किसान की बात कर रहा हूं। उनके मुताबिक सरकारी दाम बहुत कम है इनको बढ़ाये तो ज्यादा अच्छा होगा। यही मै इस मौके पर कहना चाहता हूं।

SHRI PRABHAKER RAO KALVALA (Andhra Pradesh): Sir, the Minister has announced the support price for the kharif season. I want to know whether, while arriving at these rates, he has taken into acount the cost of cultivation. Cost of cultivation includes the cost of irrigation, cost of fertilizers, pesticides and all other things. I would like the hon. Minister to kindly furnish us the split-up of the cost of cultivation. In my view, if he has taken all these things into account, this rate could no have been a remunerative price.

Secondly, I would like to know what average yeild he has taken into account as far as groundnut or sawflower oil is concerned. Everybody knows that neither the producer nor the purchaser is happy. Only the middleman is getting all the profit of the agricultural products. So, I want to know whether he has taken into account their yield per acre or per hectare. What is the quantity, how many quintals of wheat he has taken per hectare or per acre? Can he furnish the split up of the cost of cultivation? I want information in this regard.

SHRI VITHALBHAI MOTIRAM PATEL (Gujarat): The cost will be much higher and the yield much less because of the drought situation.

SHRI YOGENDRA MAKWANA: This question regarding the prices of agricultural commodities is raisd often in this House and I have replied quite at length on various occasions. In spite of that I have no hesitation in clarifying the doubts raised by the hon. Members regarding fixation of prices of agricultural commodities by Government of India.

Sir, Government of India is quite aware of the difficulties which farmers face in this country. That is why the Agricultural Costs and Prices Commission was constituted by Government of India. Originally it was Agricultural Prices Commission which was declaring the Prices Commission which was declaring prices. But in response to a number of requests from the hon. Member and the farmers' organisations, the Commission has been renamed as the Commission for Agricultural Costs and Prices. The cost of production is calculated and based on that cost and other factors, the recommendations of the commission are made and, the prices are fixed by the Government of Inida.

Now while fixing the support prices, the Government is giving a guarantee to the farmers — it is a guarantee and an assurance to the farmers—that in case there is a glut in the market because of higher production, then the Government will rush to their help and will procure their produce at a price which is remunerative and which is fixed by Government of India.

SHRI CHITTA BASU: But these are not remunerative.

SHRI YOGENDRA MAKWANA: Will you please hear me? You are an old man. Don't be impatient

SHRI M. M. JACOB: He is not an old man. He is a young man.

SHRI YOGENDRA MAKWANA: He should not be impatient like a young child. Let me complete first. The basic criteria of fixing the price is that the farmers are assured that if there is a

[Shri Yogendra Makwana]

glut in the market due to higher production, then their produce will be purchased by the Governmnt of India at a ramunerative price. This is the assurance given when we fix the price.

SHRI VITHALBHAI MOTIRAM PATEL: It is not remunerative price but support price.

SHRI YOGENDRA MAKWANA: No, it is remunerative. Please hear me. It is support price fixed at a remunerative level. When I use the word "support price", it is support given to the farmers at a price which is remunerative; so it is a remunerative price. And if the farmer s getting a higher price, he has the option to sell it in the open market. There is no obligation on the part of the farmer that he should supply only to the procuring agency of the Government of India.

Now a number of points have been raised by hon Members. Majority of them have stated that there is drought, flood, this or that. Now these are natural calamities and in calculating a cost nobody can forseen the events to come. It cannot be done. For that there is a separate provision. Government has mode a provision for that to protect the interests of the farmer And that is the comprehensive crop insurance scheme. If they are insured, they can get the benefit of the insurance scheme and if there is any loss to the crop, the insurance company has to pay. I have no figures at present with me; otherwise I could have given .....

SHRI VITHALBHAI MOTIRAM PATEL. But crop insurance scheme is not applicable very where. It is available only in slected areas.

SHRI YOGENDRA MAKWANA: Sir, with this running commentary it is not possible to satisfy the Members They are damaging themselves because they do do not allow me to clarify the issues. The Hon. Member who is shouting at the top of his voice Motiram Patel, does not know that the comprehensive crop insurance scheme is prevalent in his State. Under that scheme we have given more than ten times the premium that the farmers from Gujarat had paid. Rather, I would say that we had to settle them because they were farmers' claims Otherwise there were a numbr of irregularities—I do not want to go into it. So, the Government is keen to give the benefit of this scheme to the farmers, and it is for the particular State Government to adopt the scheme. It is not for the Government of India. The State Government can extend this scheme to any area they like and they can also select the lowest unit That is also left to the State Government. In the case of Andhra Pradesh they have selected *mandal* as the unit. In the case of Gujarat it is a district. Why don't you prevail upon your State Government to go to the villages? Have they got the capacity to do it? No, they have no capacity Because they are not doing the crop cutting experiments properly. This time also the farmers are suffering. It is because of the fault of the State Government because they have not done it properly. That is why the farmers are sufferings not because of the Government of India

Let me ask this honourable Member why they are not prevailing on the State Government to do it properly and to come before the Governmnt of India

SHRI DIPEN GHOSH (West Bengal): You also come from the State of Gujarat.

SHRI YOGENDRA MAKWANA: Sir, while talking about profit to the farmers, I said earlier also in this House that profit is not taken into consideration while calculating the cost. Let us undrstand the two concepts — cost and profit. Cost is the cost of production The difference between the price receive by the farmer and the cost of production is equal to profit. So cost can never include profit. Purely according to the economic theory, entrepreneurs get profit because of the risk-taking quality and, therefore, it is never calculated in the cost. But the Government is giving a marginal profit on the cost calculated by the Commission Now let us see how this cost is calculated

SHRI DIPEN GHOSH: Is the cost of labour included?

SHRI YOGENDRA MAKWANA: I have given it earlier also, and I will give it again....(*Interruptions*)... I will give you. After I complete, if there remains anything, you can ask....(*Interruptions*). I don't yeild.

SHRI NIRMAL CHATTERJEE (West BENGAL): I am just helping you.

SHRI YOGENDRA MAKWANA: I don't want anybody's help. I am capable of handling my subject. After my clarification if there is any doubt in the mind of the honourable Member, I am prepared to reply, but not at this stage. Now let us see how this is done.

Earlier also I said that there are a number of things which are taken into consideration by the Agricultural Costs and Prices Commission Value of hired human labour, value of own bullock labour, value of hired bullock labour, hired machinery, charges, value of own machine labour, value of seed—both farm produced and purchased—value of insecticides and pesticides, value of farmyard manure—own and purchased—value of chemical fertilizers, depreciation on implements and farm buildings, irrigation charges, land revenue, cess and other taxes, interest on working capital, miscellaneous expenses paid to the artisans, etc., rent paid for leased in land, interest on the value of owned capital assets imputed rental value of owned land, net of land revenue paid thereon, imputed value of family labour. Not only these. The Commission is also taking into consideration the cost of production, changes in input prices, input-output price parity—that is, terms of trade—trends in the market prices, demand and supply situation, intercrop price parity, effect on industrial cost structure, effect on general price level, effect on cost of living, international market situation, and parity between prices paid and prices received, that is, terms of trade. The figures of these I had already given to the honourable Members earlier.

Now, how is this comprehensive scheme of studying the cost done? There is a comprehensive scheme for studying the cost of cultivation of all the principal crops, and it is operated by the universities and agro-economic research centres. The criterion is that there is a fieldman who looks after ten holdings, and he is constantly, every day, taking down the details of farm operations on selected holdings, inputs used, prices paid and prices received by the farmer. There are 9,000 such holdings. Data are collected from these sampled holdings, and the cost is based on this. This is the procedure which is observed calculating the cost.

Sir, there are Members who asked, "What about the paddy prices?" They forget very easily that the paddy prices are declared before the harvest season. It was declared in this very House for 1987-88 on the 27th of August, 1987. The cotton prices were declared on the 3rd of March, 1987. So, these have been declared earlier. Now I have come here before the House for declaring the prices of the rabi crop.

In the rabi crop prices there is an increase. Every where it has been given.

So far as wheat is concerned, the price which we paid last year was Rs. 166. This has now been increased to Rs. 173. There is an increase of Rs. 7.

About barley, the production of which is very small the cost is also taken into consideration, The price fixed is Rs. 135.

On gram, Rs. 10/- increase has been given.

On rapeseed mustard, increase of Rs. 15|- has been given.

So, some increase is given wherever it is necessary. Wherever it is felt that a particular item of agricultural commodity is required to be produced more, the farmers should be given more incentive. In that case, the Government considers that aspect also, and taking into consideration all these aspects, the prices are fixed.

One hon. Member talked about farm-price concept. I do not know what he means by the farm-price concept.

[Shri Yogendra Makwana]

Then, there are a number of Members who said that the prices should be revised. I have declared these prices in the other House and here also, and there is no scope of revising these prices. These prices are quite remunerative, and they are beneficial to the interest of the farmers.

One hon. Membmer said that the farmers are shifting from agriculture to service. He is not here. He comes from a village. He should understand the Indian society. What is the Indian society? The society inherits the land. In a family where there are five brothers, the land is divided into five pieces. Each brother gets one-fifth portion of the farmer's land. And that one-fifth portion again gets divided into several parts because of a large number family members. This is the main reason why the income of the farmers is reduced because the holdings have become smaller and smaller and in many cases they are uneconomic. That is why they are getting less money from it, that is, the return from it.

There are Members who said that there are middle-men working. Where is the question of middle-men when the Government itself is procuring? We are procuring through our agency, the FCI and other agencies, like the NAFED. We are purchasing from the farmers directly. In the case of paddy rice, and wheat, we do it regularly because it is for the public distribution system. But in the case of any other commodity, wherever there is a fall in the prices, the State Government comes forward, requests us, and we enter into the market. We have entered into the market for purchase of coconut in the State of Kerala when the prices went down, and we purchase coconut also because we do not want that the farmers should suffer. That is the reasons why the Government is procuring the agricultural commodities from the farmers. So, you look at it from any account, from any angle. The prices are remunerative, beneficial to the farmers, and there is no reason to grudge about it.

Thank you very much.

SHRI NIRMAL CHATTERJEE: Sir,..

SHRI GHULAM RASOOL MATTO: Mr. Vice-Chairman, Sir, ...

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA): Mr. Matto, please sit down.

SHRI NIRMAL CHATTERJEE. Makwanaji, I just ask this. It is perfectly understandable that these variables which have been taken into account are more or less exhaustive. Now I ask you this question. From Rs. 166 to Rs. 173 is a rise of 4 per cent. You have mentioned the terms of trade. Just a minute.

Over the years, we all know that the terms of trade between the town and the country is going against the country. That we all know. In this particular case also, let us see. By the 4 percent rise allowed to a particular produce compared to the 10 percent rise in the consumer price index, will not the terms of trade be further going against it? You have not mentioned that all these are taken into account rather inadequately. That is why your raise is really not remunerative, in the sense that the rural population is not suffering more than your suffering in the past. This is the question that you should answer. It is on this account that we say that the remunerative prices should mean still higher rise than permitted by you; otherwise the terms of trade as in the past would continue to be against the agriculturists. Now, please take this into account and give your reply.

SHRI GHULAM RASOOL MATTO: My point has not been replied in the statement that the hon. Minister has been replied in the statement that the hon. Minister has made. He has said that the present price and the price trend should be taken into consideration while fixing the prices. Now, my point is, today the market price as has been given in the newspaper for wheat is Rs. 235 per quintal. But now he has fixed Rs. 173. Why he has not considered the market price while fixing the price- Secondly, the most important thing that I have raised is the procurement part of it. He has not said any-

thing about this also. If the prices are fixed at Rs. 173 per quintal, the present market price is Rs. 235 which are likely to rise in view of the drought conditions in the country, what plans has he to procure for the distribution system? What he is going to do about it? My cry may be in the wilderness but I want to be on record to say that we are facing a catastrophe if he is not listening to what I say.

SHRI YOGENDRA MAKWANA: So far as Mr. Matto's point is concerned, let me clarify to the hon. Member that while replying to the Members I have already said that if they are getting higher prices they are at liberty to sell it in the open market and get higher prices.

SHRI GHULAM RASOOL MATTO: Why don't FCI purchase it?

SHRI YOGENDRA MAKWANA: Why should we? We have already fixed the remunerative price for the farmers and we are supporting it at remunerative level and beyond that if they are getting, they are at liberty to sell it in the open market and get the price.

Now, coming to the hon. Member, Shri Nirmal Chatterjee's point on terms of trade, this has been raised in this House very often that it is going against the farmers. Now, I have with me the figures; and it is not my figures. These are the figures prepared by the experts. These are the figures. I would like to share these figures with the hon. Members. Now, if the terms of trade in 1979-80 was 100. In 1980-81 it was lower by 1.5, just marginal. In 1982 it was again marginal. In 1983-84 it was +0.1. In 1984-85 it was —0.3. In terms of trade the farmer is losing only marginally. But he is gaining in increasing productivity. Then, what is the increase in productivity? In 1979-80 if it was 100, in 1980-81 it was 114, that is, +14. In 1981-82 it was 116.7, that is, 16.7 increase. In 1982-83 it was 114.6, that is, +14 6. In 1983-84, it was 131, that 5, +31. In 1984-85 It has 132.99 i.e. +32.99. In 1985-86, It has 135.97. i.e. +35.97. Where does this increase come from?

How there is increase in the productivity? This is only because the Government has created a number of facilities. Let us see first irrigation. I do not have exact figures. But the allocation in the Seventh Plan is 40 times more than the First Plan towards irrigation facilities. And the Government has spent crores of rupees for creating irrigation facilities for the farmers. Then, improving the delivery system of the farmers and input systems.

Now, in case of fertilizer, the fertilizer which is produced in Baroda or Broach or Narmada Valley Fertilizer, the price prevailing in Broach is the price in Andaman and Nicobar and Lakshadweep, in Calcutta and anywhere. Now, this the benefit which the farmers get, and the other industries are not getting for their raw-materials like this. Then, the improvement in marketing facilities. We have created mandis. We are giving money for the marketing facilities to the farmers and this is done at the cost of the Government exchequer. So the benefit is to be shared between the consumer and the producer. The farmer is the producer who is losing marginally in the terms of trade. He is gaining much more in terms of productivity which is created at the cost of the consumer. Therefore, the benefit should be shared between the consumer and the producer.

RECOMMENDATIONS OF THE BUSINESS ADVISORY COMMITTEE

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA): I have to inform Members that the Business Advisory Committee at its meeting held today, the 12th November, 1987, alloted time for Government Legislative Business as follows:—

Business	*Time Allotted*
1. consideration and passing of the following Bills:—	
(a) The Metro Railways (Construction of Works) Amendment Bill, 1987.	2 hrs.
(b) The Warehousing Corporation (Amendment) Bill, 1987.	1 hr.